Flow of foreign fund

183. SHRI NILOTPAL BASU: Will the Minister of FINANCE be pleased to state:

(a) the details of the foreign fund flow in terms of Foreign Direct Investment (FDI) and Foreign Institutional Investment (FII).

(b) whether the high proportion of foreign investment poses the threat of the 'Mexico syndrome' also affecting the Indian economy; and

(c) if so, what corrective moves are being undertaken?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Inflows in terms of Foreign Direct Investment and Foreign Institutional Investment (but Excluding flows into Global Depository Receipts, Convertible Bonds and External Commercial Borrowings) during the last four years are as follows:

(Rs. in crores)

1991	351.43
1992	675.18
1993	4397.43
1994	9740.96

(b) and (c) The portfolio Investment to gross reserve ratio was as high as 110 per cent for Mexico for 1993 while it was only 18 per cent for India for end March 1994. The low ratio for India indicates that any eventuality of outflows of portfolio investments would not amount to substantial depletion of reserves that can-pose a Mexican-type threat to the economy.

Import of foreign cars

184. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether Indian Entrepreneurs with foreign collaborators for their proposed automobile/car manufacturing units have been permitted to import foreign made cars in CKD condition;

(b) whether the companies have also been granted reduction in customs duties; and

(c) the names of cars under CKD conditions to be imported for Indian roads before setting up their proposed projects in India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (c) The Directorate General of Foreign Trade in the Ministry of Commerce has permitted M/S. DCM Toyota Limited, New Delhi, to import cars against an Import Licence.

No reduction in customs duty has been allowed on such cars.

Quality of services in Banking system

185. SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have formulated any programme/scheme to improve the quality of services in the entire banking system in the country under the new liberalisation policy;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the steps taken by Government in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (d) With a view to suggest measures to improve the quality of customer services offered by banks, a Committee was constituted under the Chairmanship of Shri M. N. Goiporia. The Committee made wide